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C O N F I D E N T I A L SECTION 01 OF 03 KUWAIT 001707

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DEPT FOR NEA/ARP, EB AND INR/I ENERGY FOR MOLLY WILLIAMSON

E.O. 12958: DECL: 12/02/2017

TAGS: <u>PREL EPET PBTS</u> <u>PINR KU KUWAIT IRAN RELATIONS</u> SUBJECT: READOUT OF IRAN FM MOTTAKI VISIT TO KUWAIT

REF: A. STATE 160447 \*\*B. KUWAIT 1697

Classified By: CHARGE D'AFFAIRES ALAN G. MISENHEIMER FOR REASONS 1.4 (B) AND (D)

11. (C) SUMMARY: On November 25, Iranian Foreign Minister Manouchehr Mottaki visited Kuwait as part of his tour of Arabian Gulf States. According to the Kuwaiti media, FM Mottaki discussed the Kuwait-Iran maritime border, bilateral energy issues, foreign relations, Iraq and the Iranian nuclear program with his Kuwaiti counterparts. MFA officials indicate that another motive for his visit was to repair strained relations with Kuwait following an assault on a Kuwaiti diplomat in Tehran on June 20, 2007. The MFA reiterated to Poloff Kuwait's opposition to a both a nuclear-armed Iran and a pre-emptive American military strike, and noted that Kuwait remains committed to a diplomatic solution. (Note: Poloff's discussions took place before the release of the NIE announcement. Post will report separately on Kuwait's reaction to the NIE. End Note) END SUMMARY.

## PUBLIC FOCUS ON OIL, GAS AND TRADE

- 12. (C) According to the Kuwaiti media, Iranian FM Mottaki focused on resolving a decades-old maritime border dispute with Kuwait during his visit on November 25. The dispute originated in the 1960s when Iran and Kuwait awarded overlapping concessions in the northern part of the offshore Dorra gas field (known in Iran as Arash) to both the Anglo-Iranian Petroleum Company (precursor of BP) and Royal Dutch Shell. Recoverable gas reserves in the Dorra field (approximately 70 km east of Kuwait's southern border) are estimated at seven billion cubic feet. FM Mottaki stated to the press that Iran hoped to have a finalized border demarcation by the end of the year.
- ¶3. (C) Mottaki also reportedly discussed revitalizing a non-binding energy MOU signed between the two countries in ¶2005. According to the deal, Iran would construct an undersea pipeline and provide 300 million cubic feet of natural gas per day to Kuwait over a period of 25 years. The MOU had called for gas delivery to begin in 2007 but there has been no movement toward contract-signing and no indication that any serious pipeline construction plans are underway. (Note: The Kuwaitis have repeatedly told Emboffs that they do not consider Iran to be a reliable supplier. Kuwait is actively pursuing plans to import LNG from Qatar instead. End Note.)

- 14. (U) According to press reports, FM Mottaki highlighted his country's close bilateral relationship with Kuwait and thanked the Government of Kuwait (GOK) for supporting a proposed Free Trade Agreement between Iran and its Gulf Cooperation Council (GCC) neighbors. The media also reported that Mottaki discussed an upcoming Kuwaiti-Iranian high committee meeting, to be held in January 2008, with Kuwaiti FM Shaykh Mohammed Sabah Al-Salem Al Sabah.
- 15. (U) On the subject of Iraq, FM Mottaki said that, "Iran and Kuwait are important neighbors to Iraq, and they are keen on preserving the security and stability of the region," and that, "lack of security in Iraq harms Iran and Kuwait more than others." Concerning the Iranian nuclear program, FM Mottaki claimed that Iran had recently taken "transparent steps over its nuclear activities," particularly concerning the P-1 and P-2 centrifuge file, which he anticipated would result in a favorable interim report by the International Atomic Energy Agency (IAEA).

## DIPLOMATIC FOCUS ON BILATERAL TENSIONS

16. (C) On November 28, Poloff met with Rashed Al-Hajiri, First Secretary with the MFA's Asia Bureau, concerning Mottaki's visit. Al-Hajiri noted that Kuwaiti FM Mohammed Al Sabah had spoken to Mottaki on the margins of the UN General Assembly in September and specifically requested that Mottaki visit Kuwait. Al-Hajiri said that relations between the two countries have been strained since the assault on Kuwaiti diplomat Mohammed Al-Zo'bi in Tehran on June 20, 2007. The assault prompted outrage in the Kuwaiti media and among the GOK leadership, which drew down its Tehran embassy staff in

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response. FM Mohammed Al Sabah stated at the time that the assault was tantamount to "aggression on Kuwait, international law and Islamic values." Immediately after the incident, MFA Undersecretary Khalid Suliman Al-Jarallah summoned Iranian Ambassador Ali Jannati and handed him an official memo of protest along with a demand for the results of an Iranian investigation into the assault. Subsequent Iranian threats to retaliate against any countries harboring U.S. forces in the event of an American strike against Iran have further dampened relations between the two countries.

- 17. (C) When asked about the reason for the assault, Al-Hajiri speculated that the Iranian leadership may have ordered it as a way of demonstrating its displeasure with Kuwait's strong support for the USG. Al-Hajiri noted that the primary purpose of Mottaki's visit was to seek a return to normal, "cordial" diplomatic relations between Iran and Kuwait. He said that the Minister's visit was successful in overcoming this incident and restoring a "clear and transparent nature" to bilateral relations.
- 18. (C) Al-Hajiri continued that Iran was a very important country in the region, and that Kuwait views strong bilateral relations with Iran as essential to its national interests. According to Al-Hajiri, Kuwait believes that Iran should focus on improving its domestic economy, further integrate itself economically with its GCC neighbors and increase its cooperation with the international community in general.
- 19. (C) Concerning Iran's nuclear program, Al-Hajiri said that Kuwait supports Iran's right to develop nuclear energy for peaceful purposes only, but that Kuwait is "totally against" an Iranian nuclear weapons program. He said that GOK interlocutors had expressed to Mottaki their fears concerning Iran's nuclear program and asked the Government of Iran (GOI) to cooperate with the IAEA and the international community on this issue. The GOK's position is that escalation is not in the region's interest, and a military confrontation with the United States can only have negative consequences for the entire region. Al-Hajiri said that Mottaki had assured his

GOK interlocutors that the Iranian nuclear program was strictly peaceful.

## VIEW FROM THE GULF MONITORING GROUP

- 110. (C) On November 29, Poloff met with Dr. Saad bin Tefla, the former Kuwaiti Minister of Information and currently head of the Gulf Monitoring Group, a Kuwaiti think tank dedicated to local and regional issues. Poloff queried bin Tefla on the objectives of FM Mottaki's visit and its overall degree of success. Bin Tefla said that the visit served to normalize relations with Kuwait in light of the assault incident in Tehran. He noted that this rapprochement was successful, and that FM Mottaki was also successful in re-invigorating the long-standing maritime border dispute with Kuwait.
- 111. (C) On Iran, bin Tefla said that the Gulf countries are feeling increasingly apprehensive about Iran's growing influence in the region and the possibility of a military conflict between Iran and the United States. He noted that the collapse of the Soviet Union, the demise of the Taliban in Afghanistan and the elimination of Saddam Hussein's regime in Iraq had given Iran a freer hand in the region. He speculated that Iran's ultimate objectives are greater regional and global influence, to be exercised by both itself and via its regional proxies.
- 112. (C) Nevertheless, he said that Iran is feeling the effects of increased international pressure concerning its nuclear program and is now especially concerned that Russia has apparently shifted its position on this issue. He attributed Russia's change of heart to "weariness" of being kept in the dark about Iran's nuclear program and reservations about multiple states along its southern border possessing nuclear weapons. He added that Russia had "no more influence" over the GOI, and that the Russians are wary of the GOI's ideology.
- 113. (C) Regarding the upcoming parliamentary elections in Iran (Ref A), bin Tefla said he expected the hard-liners to make further gains due to Iran's economy. Record oil prices and several years of good agricultural harvests have increased overall prosperity in Iran, according to bin Tefla, which contrasts sharply with the leaner times under President

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Khatami and his reform party. He noted that the Iranian Council for the Protection of the Regime and the Guardians Council vet parliamentary candidates in advance, and that those whom the GOI supports receive funding via the 20% Shi'a Islamic tax collected by government-approved religious institutions.

114. (C) Concerning the GCC, bin Tefla noted that the Gulf countries share apprehension about Iran's growing regional influence and its potential for developing nuclear weapons. He said that these countries share the opinion that a military conflict would be disastrous for the region, and that the most appropriate long-term strategy for dealing with Iran is regime change. To this end, he anticipated increased outreach from GCC countries to the USG to advocate for this strategy. He observed, though, that the GCC is split in its approach to Iran, and that the current GCC summit in Qatar would help to clarify the various positions of the GCC countries vis-a-vis Iran.

## COMMENT

115. (C) This cable reflects meetings and exchanges with Kuwaiti officials prior to the December 4 release of the NIE,

which is having a significant impact on GOK, and broader Kuwaiti public, thinking on Iran. Post will report separately on discussion of Mottaki's visit in pending meetings with senior GOK officials, and on the impact of the NIE in Kuwait. END COMMENT.